



## PAJARO VALLEY WATER MANAGEMENT AGENCY

36 BRENNAN STREET • WATSONVILLE, CA 95076

TEL: (831) 722-9292 • FAX: (831) 722-3139

email: info@pvwma.dst.ca.us • http://www.pvwma.dst.ca.us

Board of Directors Meeting  
City Community Room

February 17, 2009, 7:00 p.m.  
275 Main Street, 4<sup>th</sup> Floor  
Watsonville, CA

### BOARD MEETING MINUTES

#### 1. Call to Order

2. **Roll Call of the PVWMA Directors, and Pledge of Allegiance:** The Regular Board Meeting of Pajaro Valley Water Management Agency was called to order in the City Community Room, 275 Main Street, 4<sup>th</sup> Floor, Watsonville, CA, at 7:05 p.m. by Vice Chair Cavanaugh.

Board Members Present: Cavanaugh, Eiskamp, Kegebein, Dobler, Osmer, Koenig

Board Members Absent: Imazio

Staff Members Present: Mary Bannister, General Manager (GM)  
Veronica Barboza, Administrative Analyst (AA)  
Others Present: Anthony Condotti, Agency Counsel  
Richard Shanahan, Proposition 218 Special Counsel

#### 3. Pledge of Allegiance

#### 4. Oral Communications: None

5. **Director Comments:** Director Cavanaugh commented that he would only listen in on this meeting and refrain from any comments. Director Dobler welcomed positive feedback and or suggestion from the public.

#### 6. Consent Agenda

- A. Approve January 20, 2010 Minutes
- B. Approve February 3, 2010 Minutes

◆ Motion by Director Osmer to approve the Consent Agenda as presented. Motion carried by the following roll call vote:

**AYES:** Cavanaugh, Eiskamp, Kegebein, Dobler, Osmer, Koenig  
**NOES:** None  
**ABSENT:** Imazio  
**ABSTAIN:** None

#### 7. Discussion and/or Action Items

- A. Receive update on draft Proposition 218 Service Charge Report concerning proposed increase of augmentation charge and delivered water charge: GM gave a brief summary of this item, then turned it over to Angela Bricmont of Carollo Engineers. She stated that the draft Proposition 218 Service Charge report was introduced to the Board at the February 3, 2010 meeting. This report was the culmination of an effort begun in 2008 to re-establish rates in compliance with the requirements of Proposition 218. Based on the recommendation from the Ad Hoc Funding Committee and input from the Board, public and legal counsel, fees consisting of consumption based pump groundwater charges, similar to the existing augmentation charge, and a separate delivered water charge proposed. She

further stated that the rates proposed include two separate tiers of groundwater pumping charges (similar to the existing augmentation charge), based on metered water use for metered wells, with a slightly higher rate for well users in the delivered water zone. The proposed charge for unmetered (rural residential) wells is based on average estimated usage per well. A separate fee is proposed for users of the delivered blended recycled water in the delivered water zone. Lastly, the schedule presented at the February 3, 2010 board meeting projected board action on the Prop 218 Service Charge report at tonight's meeting. The Board requested additional time to allow the board and public review and comment on the rate study. Staff mailed our postcard notification of tonight's meeting to all well owners within the Agency along, with posting notices of the meeting in the two local newspapers.

Public Comments:

- Stan Dietrich stated that the water from his well is not for drinking. Inquired as to why he is being billed \$48 per year.
- Ken Reiller stated that he lives on the East side of the San Andreas fault (outside of the basin) and that it is impossible to draw from the basin aquifer. Feels that he does not receive any benefit from the Agency.
- Frank Remde expressed his concerns, stating that it seems that the Agency was looking for a "bail out".
- Nick Buliach asked Dick Shanahan (Prop 218 Legal Counsel) to explain how charges meet all five (5) requirements in Proposition 218 Article 13 D, Section 6B 1-5.
- Harold Griffith stated that as a "rural residential" customer, he does not understand how he benefits from the Agency. He stated that the Agency should check if the Agency Act definition complies with the fees and that the Agency should check with the State Legislature.
- Rebecca King, a sheep farmer, questioned, what is the greater goal? Where is the water going?
- Tom Amrhein commented that the rate numbers seemed to have changed within the last two weeks. It didn't define a service. He felt it is designed to keep a cash flow for the Agency. He stated that the Agency has to have a plan to stop litigation. He noted that the City of Watsonville will vote for all water users that it services.
- Dick Peixoto stated that the Agency needs to separate the "survival" of the Agency vs. the "solution" to conserve water.
- Owen Sharp of San Andreas Water Mutual Company said they submitted their questions to the Agency earlier in the week.
- Bob Hurley stated that he owns a part of his well (according to his deed), and his neighbor has partial ownership of the well. "Who is responsible for the bill?"
- Clarice Wiggins who is a coastal grower, stated that she is not willing to give up on the Agency.
- Frank Capurro stated that he has been using recycled water since July of 2009 and has better water quality and has seen improvement in his wells.
- Tom Amrhein inquired, "What did it take for Mr. Capurro to receive recycled water; at what cost?"

Thereafter, The Board continued with discussion. No action was taken, as this was a discussion item only.

- B. Receive presentation on draft Resolution 2010-03 adopting procedures for public hearing notice, majority protest and election concerning proposed revisions to augmentation charge and delivered water charge: GM introduced Dick Shanahan for presentation of this item. Mr. Shanahan stated that as a part of the Proposition 218 rate revision process, a resolution is proposed adopting notice, hearing, protest and election procedures to govern the Agency proceedings for the consideration and approval of the revised augmentation charge and delivered water charge. The Agency has determined that the augmentation charge and delivered water charges are property-related services charges under Proposition 218. Therefore, any increase in the charges is subject to public hearing and majority protest provisions. He further stated that some of the public hearing notice, majority protest and election procedures and requirements in section 6 of the California Constitution, Art XIII D are unclear and

lacking in detail, so this resolution is proposed to specify the procedures to be used by the Agency in conducting the public hearings, determining a majority protest, and, for the augmentation charge, conduction the election. Lastly, the procedures established by the resolution would provide clear instructions and direction to the public, landowners, delivered water customers, elections officials, and Agency directors and staff.

Public Comments:

- Doug McKinney expressed his concerns regarding the weighted vote, stating that the tenants are usually the ones to pay the bill and not the owners. Concerned that the tenants will not have a vote.
- Dick Peixoto stated that he was confused about the way the vote would be weighted.
- Sherry Damon inquired if the weighted vote will be made to the public.

Thereafter, The Board continued with discussion. No action was taken, as this was a discussion item only.

**8. Written Communication/Correspondence:** January 2010

**9. Future Meetings and Agenda Items**

- A. Board Meeting- March 3, 2010, 7:00 pm, "New" City of Watsonville Council Chambers, 275 Main Street, 4<sup>th</sup> Floor

**10. Adjourned at : 9:45 pm**

  
Veronica Barboza, Secretary

3-3-10  
Date Approved